

Fiscal Services Division

Legislative Services Agency

Fiscal Note

SF 2278 – Medical Parole (LSB 6653 SV)

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Fiscal Note Version – Senate File 2278 as Amended and Passed by the Senate

Requested by Representative Lance Horbach

Description

Senate File 2278, as amended and passed by the Senate, provides medical parole for anyone sentenced to the Department of Corrections (DOC) including those offenders serving a mandatory minimum term. The Bill sets criteria for medical parole and requires the DOC to recommend to the Board of Parole for considering an offender for medical parole. The Board of Parole retains the final decision-making authority to grant or rescind medical parole. An offender on medical parole is required to have periodic medical evaluations at intervals set by the Board of Parole.

The Department of Human Services (DHS) is required to process a medical parolee's application for public, medical, or general assistance within 60 days of receipt of the application for assistance. The DHS is responsible for the costs of any public assistance, including medical assistance, upon release from prison to medical parole for as long as the person is eligible. The DOC and the DHS are required to jointly issue requests for proposals from public or private vendors to provide contract services for persons released on medical parole. The Bill takes effect January 1, 2005.

Assumptions

1. The DOC indicates there are currently 28 offenders in State prisons who may qualify for medical parole. This is likely the largest pool of eligible offenders at any given time for medical parole over the next five fiscal years.
2. Offenders will be eligible for medical parole in future fiscal years as the State prison population ages. Offenders aged 51 or older comprised 3.0% of the prison population in FY 1983. By FY 2003, offenders aged 51 or older comprised 7.0% of the population.
3. The DOC indicates a savings of \$12,000 annually for each offender paroled under SF 2278 as amended and passed by the Senate. The savings will occur in medical supplies and drugs and biological medications. The DOC spent \$4.1 million on drugs and biological medications in FY 2003, which is an 11.0% increase compared to FY 2002. Any savings generated by medical paroles is a cost containment effort. Drug costs are likely to continue to increase, but may increase at a decreasing rate.
4. The State prisons were operating at 122.9% of current designed capacity on March 9, 2004, with a prison population of 8,591 offenders. Current designed capacity is 6,989 beds. The State prison budget is based on 7,800 inmates; the current system is operating at 110.1% of budgeted capacity.
5. The Criminal and Juvenile Justice Planning Division in the Department of Human Rights released its prison population forecast that stated that by FY 2013, the prison population is expected to reach 11,925 offenders. If the prison population reaches 11,925 offenders, five new prisons will need to be built over the next ten years at a total construction cost of \$250.0 million. Total annual operating costs will increase by approximately \$140.0 million compared to current law. If five new 800-bed prisons are built and the population reaches 11,925 offenders, designed capacity would be 11,384 beds, and the prisons would be operating at 104.8% of designed capacity. There are no operating cost savings for Iowa's prison system under this Bill.

6. Community-Based Corrections (CBC) may experience an increase in parole cases. Over the long term, caseloads will not be significantly impacted.
7. The Board of Parole indicates it will review all cases that the DOC sends to it. The Board of Parole will incur additional costs associated with case reviews to consider medical parole. The three part-time Board members will require more per diem days. The Board will require one additional staff. This assumes planned computer upgrades will occur at no additional cost to the Board.
8. The DHS estimates the annual cost for medical assistance is \$40,000 per offender granted a medical parole. The State match rate is 36.4% for Medical Assistance.
9. The University of Iowa Hospitals and Clinics currently provides medical care to offenders eligible for medical parole. The Board of Regents assumes it will continue to provide medical care to those offenders granted a medical parole under the Bill.

Correctional Impact

The average length of stay for certain offenders will decrease. The table below illustrates the estimated cumulative impact on the prison population.

Offenders Released Under SF 2278					
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Offenders	- 2	- 6	- 6	- 7	- 7

It is possible that no offenders may be released under the Bill.

Fiscal Impact

The estimated fiscal impact of SF 2278, as amended and passed by the Senate, to the State General Fund is an increase in expenditures of \$21,000 during FY 2005 and a decrease in expenditures of \$34,000 in FY 2006. Expenditures should continue to decrease in future fiscal years. An additional amount of \$13,000 in FY 2005 and \$204,000 in FY 2006 in federal Medical Assistance payments will be required. A breakdown of expenditures follows:

<u>State Agency</u>	<u>FY 2005</u>	<u>FY 2006</u>
DHS	\$ 7,000	\$ 116,000
Board of Parole	27,000	54,000
Board of Regents	- 13,000	- 204,000
	<u>\$ 21,000</u>	<u>\$ - 34,000</u>

If no offender receives a medical parole, there is minimal fiscal impact.

Sources

Department of Human Rights, Criminal and Juvenile Justice Planning Division
 Department of Corrections
 Department of Human Services
 Board of Regents
 Board of Parole

 Dennis C Prouty

March 30, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
